

Joe Bustillos  
Nov. 11, 1987 - COMM201  
Tax Reform Bill

I ASKED FOR  
A WASHINGTON  
DATELINE

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no - you were writing  
on WEDNESDAY for  
THURSDAY

but what  
was the  
TOTAL  
vote?

WASHINGTON --

The United States Senate passed a bill by a margin of 51 votes today that will set individual tax rates for 1988 at either 15 or 28 percent. The previous 15 rates that went as high as 50 percent.

NOT JUST FOR  
1988

The bill, which was sponsored by Sen. Bob Packwood, R-Ore., and Rep. Dan Rostenkowski, D-Ill, is said to be the broadest revision of the Federal Tax Code since Congress devised the Income Tax in 1913.

Affluent households, those filing as singles with an income of \$43,150 or greater and those filing a joint return with an income of \$71,900 or greater, will pay rates of 38 percent on income above those limits and lose some deductions.

The bill will remove six million of the poorest taxpayers from the tax rolls and grant some tax relief to four of every five households. It will also shift \$120 billion of the tax burden from individual taxpayers to businesses over a five-year period.

PROBABLY  
SHOULD BE  
A DATE

Packwood said that the bill is about more than money and economics. He said it is about Fairness. Not everyone agrees.

Sen. Carl M. Levin, D-Mich, said that the bill would "set the



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stage for making deficit reduction more difficult and less fair." Others said that by eliminating various business deductions and investment credits it discourages factory construction and rebuilding of older facilities. Sen. John C. Danforth, R-Mo, said that "No reduction in tax rates compensates for the loss of a job."

Many observers said that the bill will neither ease nor worsen the federal deficit. Backers of the bills say that it will encourage interest rates to be reduced by as much as two percentage points in the next two years.

Sen. Pete Domenici, R-N.M., who had initially opposed the bill, said, "there is no doubt in my mind the tax bill will be good for the American Economy."

President Reagan has said that he will sign the bill into law when it crosses his desk ~~some time~~ next week.